



PPG Industries

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July 27, 2011

Ms. Cynthia T. Brown
Director, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
JUL 27 2011
Part of
Public Record

**RE: Ex Parte No. 711 – Petition of the National Industrial Transportation
League for Rulemaking to Adopt Revised Competitive Switching
Rules**

Dear Ms. Brown:

PPG Industries, Inc. ("PPG") participated actively in the Surface Transportation Board's ("Board") Ex Parte 705 proceeding on rail competition by filing comments with the Board and appearing at the public hearing.

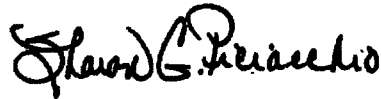
In that proceeding, PPG explained in detail the problems it faces as a captive shipper, including skyrocketing rail rates, mediocre service and lost business opportunities, all of which adversely impact PPG's ability to compete effectively in its industries.

On July 7, 2011, the National Industrial Transportation League ("NITL") filed a Petition with the Board asking the Board to initiate a rulemaking to adopt revised rules on competitive switching. The Petition follows the Board's general consideration of competition issues in Ex Parte No. 705, *Competition in the Railroad Industry*. In the Ex Parte No. 705 proceeding, the Board asked for new proposals and solutions to address competitive problems faced by shippers. PPG asked the Board to change its competition policies to provide captive shippers with greater access to competitive rail service. Among the reforms advocated by PPG were changes to the Board's rules governing reciprocal switching arrangements.

The Petition outlines the significant changes that have taken place in the railroad industry since the Interstate Commerce Commission adopted rules for reciprocal switching in 1985. The Petition also indicates that the Board has the power to change those rules. Most importantly, the Petition sets forth a detailed proposal for a new regime of competitive switching, under which competitive switching would be made available to captive shippers who are served by only a single, Class I rail carrier and who lack effective inter- or intramodal competition.

In that regard, PPG strongly urges the Board to grant NITL's Petition and to issue a Notice of Proposed Rulemaking which would permit public comments on NITL's proposal. PPG believes that NITL's Petition for rulemaking to establish new competitive switching rules presents a reasonable approach which could benefit PPG, as well as other shippers, by providing access to a second rail carrier for some but not all of its captive traffic. PPG also believes that NITL's proposal represents a fair and balanced effort to improve the state of competition in the rail transportation industry and would provide increased competition for captive shippers without harming carriers. In addition, issuance of a Notice of Proposed Rulemaking on NITL's proposal would permit the industry as a whole to comment on the proposal and to guide the Board in its welcomed effort to improve the overall state of competition in the rail industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon G. Piciacchio". The signature is fluid and cursive, with the first name "Sharon" being more prominent.

Sharon Piciacchio
Vice President, Chlor-Alkali Marketing,
Services and Cal Hypo, and Global Supply
Chain